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ceivable that an industrial movement may—perhaps at an unexpected moment and in an unlooked for manner—focalize in political action, becoming a socialist measure then by whatever party name it be called, and sweep with it the organized workingmen, just because their trades union education has prepared them for concentrated and concerted action.

It is not without interest in this connection to call attention to the action of the British Trades Union congress of the present year. Mr. Morton speaks of the extremely radical congress the British trades unions held in 1893, when a socialist declaration was adopted, and says: "The more recent British trade union congresses have not continued the declaration. Sixty-nine per cent. of the delegates of the congress of 1894 voted against it." Since the issue of this pamphlet the congress of 1898 has adopted the following, by a vote of 708,000 to 410,000:

Inasmuch as this congress believes that the labor problem can only be solved when the land and the means of production, distribution and exchange are made collective property, and as the opinion prevails that political action is the best method to accomplish this object, it is recommended that trades unionists render their moral and financial support to the Socialist Labor party.

This is a wide swing of the pendulum from the vote of 1894 to which Mr. Morton calls attention. In the years 1893-4 the unions affiliated in the American Federation of Labor considered a similar proposition, submitted from the convention of the federation held in Chicago in 1893. It received a large affirmative vote, but the convention meeting in Denver in 1894 buried the question for the time. It is unwise to prophesy that it will not be resurrected during the present generation.

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*The Bargain Theory of Wages.* By JOHN DAVIDSON, Professor of Political Economy in the University of New Brunswick. G. P. Putnam's Sons, 1898. 12mo, pp. v+319.

At once the despair and the triumph of the economist are found in the classification of his matter. The matter of economics is so homogeneous, so all-of-a-kind, so interwoven and interdependent, that

to single out a point of view subordinate to the science itself is to lose the possibility of comprehensive treatment even within the restricted field. And yet it is right that this restricted treatment should be applied, for by it alone is the continuity of thought upon the field in question preserved from decade to decade, is the thought itself enriched, and the analysis which constitutes the whole science promoted.

There are several traditional ways of treating wages, which have arisen from and are developments out of individual points of view, and which are, in last analysis, quite reconcilable to those inquirers who are of a kindly turn of mind, although they offer matter for interminable logistics to our masters of polemic. Fortunately, Professor Davidson is of the former class. In this respect, as in others, the broad sympathies of Professor Alfred Marshall seem to have set a good example in this book. And yet reconciliation runs, in turn, close to the dangers of eclecticism. While intelligent comment on the various schools of wage-doctrine can but interest the reader, the result of these critical studies in the author's own suggestions seems in itself so incomplete as to leave the reader dissatisfied with the large task of recalling and putting in their proper places in the theory the brilliant comments which had so much aroused his hopes in the critical chapters.

Professor Alfred Marshall has so copiously treated the subject of wages that it must awaken some surprise that one so evidently imbued with the master's spirit as Professor Davidson should have found it necessary to make this additional and separate statement. It is precisely in the theory that we are constrained to notice retrogression rather than advance; and we can account for this back-step only on the supposition of misconception. Professor Davidson agrees with Marshall in rejecting either an exclusive "product" theory or "fund" theory of wages, in the sense historically attached to those terms. In denying that wages are the price of labor, the orthodox school is in error; in affirming that wages are the product of labor, certain economists have stated what, without endless qualification, is either untrue or not helpful. Thus far, well enough. But why is it necessary to make a new explanation in view of the work of Professor Marshall?

The new statement is found to be an adaptation of the "demand" theory of value to the case of wages. Professor Davidson, then, agrees with Marshall that the principles of value are also the principles of wages. But the principles of value, according to the former, are found wholly in "demand;" it is the subjective valuations of the purchasers

of labor that settle the upper limit of price. The lower limit is settled by the laborers' standard of living; while between the limits so established, the exact rate is fixed by the strength of the parties in bargaining.

This theory is deficient as a generalization and as an historical development. As to the latter point, it has already been implied that it seems to have been thought necessary because the author believed that a productivity theory of wages could not be so constructed as to reward labor according to efficiency. It is somewhere stated that a value standard, not a physical standard, is to be treated in a theory of productivity-wages. But this remark is lost sight of again in the reiterated statement that laborers are not paid according to their efficiency. In the use of the term "efficiency" made by Professor Marshall such a failure of justice is impossible. Any different use of the term "efficiency" is equally impossible. According to Professor Davidson, if laborers double their material output, then their efficiency has doubled, although in the meanwhile demand had wholly ceased. I think most of us would agree that such laborers are wholly inefficient: the efficiency of their muscles is negated by the inefficiency of their percepts. It seems as though the "bargain" theory would not have been written if the "equilibrium" theory had been appreciated.

Again, the "bargain" theory is imperfect as a generalization. A true generalization should present those principles which regulate the relations of the category under consideration as a whole to other categories; it should then study the relations of individual instances of relations in which the different categories are involved: it should study the relation of labor to capital in general, of piano makers to their employers, the relation between Steinway and Company and their employees, and lastly, the relations of Steinway and Company with Herman Schulze, molder. If some central principle can be discovered that applies to all these relations, that is the most useful principle. Now the bargain theory fails precisely where it is most wanted, namely, in the most general case, for it is in the widely generalized relations of whole socio-economic categories that we can least of all admit a "bargain." A "theory" should at least explain this relation, even if it fail utterly to cover minor relations.

In the major relation we may contemplate nought but economic forces. The element of chance may amuse us in the minor relations, and color those portions of our studies which have an ethical or altruistic bearing; but every departure from the impersonal is a

departure from science. Professor Davidson recognizes that it is force of some sort that decides the issue, but he nowhere formulates the law of the action of this force. He is satisfied to remove the question to the psychologic sphere and to let the parties to the wages-contract play out their little game of poker unmolested! Do we need to remind him that all laws of economics are psychological, and that we begin the study of economics by an invasion of the field of psychology?

According to Professor Davidson, the advance of facility in transportation has actually decreased the method of adjusting wages by actual bodily migration of laborers. The facts cited are interesting and their presentation is timely. It is, indeed, somewhere stated by him that the transportability of capital and the diffusion of news have rendered such migration superfluous. But the broad inference from this treatment of the subject is that the forces that settle the rate of wages are *not* competitive but psychological — again setting up the imaginary opposition between economic forces and psychological forces, which has already been alluded to. The question must always be, what has determined the minds of men to agree on certain wages? The answer must state economic forces, and it is to be regretted that Professor Davidson has cast his book into such form as to seem to avoid the answer.

The foregoing criticisms are directed at the book as a professed "theory." As an essay on wages the book is useful, interesting, and welcome. It illustrates the growing tendency to test every statement by statistics, and an effort at objective impartiality which would have been more successful if the deficiency of the theory had not given the book an air of lack of theoretical conviction.

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*German Wage Theories. A History of their Development.* By JAMES W. CROOK, PH.D., Assistant Professor of Political Economy, Amherst College. New York: Columbia University, 1898. Large 8vo, pp. vii + 113.

IN the words of the author, this monograph is an attempt to exhibit "the treatment of the entire wages question by the Germans," the chief object being "to discover, if possible, progress of thought on